

HOUSE BILL 2145
By Fitzhugh

AN ACT to enact the "Mandatory Motor Vehicle Insurance Act of 2005" and to amend Tennessee Code Annotated, Title 55 and Title 56, relative to financial responsibility of persons registering motor vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Mandatory Motor Vehicle Insurance Act of 2005".

SECTION 2. Tennessee Code Annotated, Title 55, Chapter 4, Part 1, is amended by adding the following new section:

Section 55-4-134.

(a) It is the policy of the state of Tennessee that no vehicle shall be registered or driven on the highways of the state of Tennessee which is not in compliance with the Financial Responsibility Law of 1977.

(b) Notwithstanding any provision of law to the contrary, no registration or renewal of registration of a motor vehicle shall be issued by the commissioner unless the application for registration or renewal is accompanied by evidence that the vehicle and its owner have met the requirements of the Tennessee Financial Responsibility Law of 1977, Tennessee Code Annotated, title 55, chapter 12, for the period in which the registration or renewal will be valid. Every registration shall be accompanied by the following notice: "THIS REGISTRATION SHALL AUTOMATICALLY TERMINATE UPON THE FAILURE TO MAINTAIN EVIDENCE SHOWING THAT THIS VEHICLE AND ITS OWNER MEET THE REQUIREMENTS OF THE TENNESSEE FINANCIAL

RESPONSIBILITY LAW AS REQUIRED BY THE MANDATORY MOTOR
VEHICLE INSURANCE ACT OF 2005."

(c) Submission of one (1) of the following shall be evidence sufficient to show a vehicle and its owner have complied with the requirements of the financial responsibility law as required in subsection (b):

(1) A certificate, valid for one (1) year on forms provided by the commissioner from an insurance company authorized to do business in Tennessee, stating that a policy of insurance meeting the requirements of the Tennessee Financial Responsibility Law of 1977 has been issued and will be in force during the period of registration or renewal; or

(2) A certificate, valid for one (1) year issued by the commissioner of safety, stating that a cash deposit or bond in the amount required by the Tennessee Financial Responsibility Law of 1977 has been paid or filed with the commissioner's office for the period of registration or renewal.

(d) Upon the cancellation or termination of any policy of insurance that was used as a basis of the certificate provided in subsection (c)(1) prior to the expiration of such certificate where no replacement policy is issued, the insurer shall within fifteen (15) calendar days provide notice to the commissioner and to the insured that to the insurer's knowledge the vehicle no longer meets the requirement of the financial responsibility law and that the registration of such vehicle will automatically terminate in fifteen (15) calendar days unless such requirements are met.

(e) Upon the withdrawal of any cash deposit or bond that was used as a basis for the certificate provided in subsection (c)(2) prior to the expiration of

such certificate the commissioner shall within fifteen (15) calendar days provide notice to the registrant that to the commissioner's knowledge the vehicle no longer meets the requirements of the financial responsibility law and that the registration of such vehicle will automatically terminate in fifteen (15) calendar days unless such requirements are met.

(f) The registration of any vehicle shall automatically terminate fifteen (15) calendar days from the date notice is given pursuant to subsection (d) or (e), unless the owner of the vehicle provides the evidence provided in subsection (c).

(g) The commissioner shall, upon receipt of the notice provided in subsection (d) or (e), immediately notify the registrant that the registration of such vehicle has terminated unless the registrant submits the evidence provided in subsection (c).

(h)

(1) It is an offense for any person to knowingly operate a motor vehicle in noncompliance with the provisions of this section.

(2) It is an offense for any person to fail to provide evidence of financial responsibility pursuant to this section upon request of a law enforcement officer.

(3)

(A) A first violation of any provision of this subsection is a Class C misdemeanor punishable only by a fine of not more than two hundred fifty dollars (\$250).

(B) A second or subsequent violation of any provision of this subsection is a Class C misdemeanor punishable only as follows: by a fine of not more than five hundred dollars (\$500), or

suspension of such person's certificate for driving or driver license for a period not exceeding six (6) months, or both a fine and suspension.

(i)

(1) It is an offense for any person, with fraudulent intent, to:

(A) Alter, forge or counterfeit an insurance card to make it appear valid; or

(B) Make, sell or otherwise make available an invalid or counterfeit insurance card, or other evidence of insurance.

(2) Any violation of this subsection is a Class C felony.

(j) In addition to any other penalty provided by law, beginning July 1, 2005, if the commissioner determines that an owner has failed to comply with the provisions of this section, the commission shall suspend the motor vehicle registration of such owner for the following period:

(1) Upon a first violation of the provisions of this section, until the owner provides evidence of compliance in accordance with subsection (c); and

(2) Upon a second or subsequent violation of the provisions of this section, Four (4) months and until the owner provides evidence of compliance in accordance with subsection (c).

Notwithstanding any other provision of law to the contrary, the registration reinstatement fee shall be one hundred dollars (\$100) for a first violation of any provision of this section and two hundred dollars (\$200) for a second or subsequent violation of any provision of this section.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.

